



Federal Communications Commission
Washington, D.C. 20554

November 16, 2015

The Honorable Crescent Hardy
2250 Las Vegas Blvd. N.
Suite 500
North Las Vegas, NV 89030

Dear Congressman Hardy:

Thank you for your letter regarding the Commission's inmate calling services (ICS) proceeding, and the attached correspondence from Sheriff Al McNeil of Lyon County, Nevada. In your letter, you express concern that ICS rates that are set too low may affect small jails' ability to offer ICS in their facilities.

This proceeding addressed complex factual questions and issues. The Commission considered a robust record in this proceeding, including Sheriff McNeil's letter, to determine how to best proceed. As a result, earlier this month, the Commission released a *Second Report and Order* in this proceeding, adopting comprehensive reform of interstate and intrastate ICS calls to ensure just, reasonable and fair ICS rates.

By way of background, on September 26, 2013, the Commission released a *Report and Order and Further Notice of Proposed Rulemaking* on ICS. In the *Report and Order*, the Commission adopted interim reforms of interstate ICS rates, requiring that providers' rates and charges be just, reasonable, and fair. On October 17, 2014, the Commission adopted a *Second Further Notice of Proposed Rulemaking (Second Further Notice)*, with the goal of comprehensively reforming the ICS industry, including both interstate and intrastate rates. The *Second Further Notice* sought comment on a number of important issues related to ICS, including whether any forthcoming rules should account for differences in costs incurred by providers serving different facilities, and if so, how those costs should be recovered.

In the recent *Second Report and Order*, the Commission adopted tiered ICS rate caps that distinguish between prisons and jails, specifically citing as support for tiering the comments of numerous sheriffs and sheriffs associations in response to the *Second Further Notice*. Specifically, the Commission concluded that "adopting tiered interstate and intrastate rates accounts for the differences in costs to ICS providers serving smaller, higher-cost facilities, such as the vast majority of jails." Moreover, the Commission adopted rate tiers for jails that take account of their size, tracking the breakdown between small-to-medium jails, large jails, and very large jails ("mega-jails").

The Commission also adopted a six month transition period to these rate caps for jails, twice the transition period afforded prisons. Furthermore, in adopting these rate caps, the

Commission observed that the record based on the interim interstate rate caps adopted in 2013 indicated that these caps increased call volumes without compromising correctional facility security requirements.

We hope that these measures address your concerns. Thank you again for your interest and for your letter.

Sincerely,

A handwritten signature in blue ink, reading "Matthew S. DelNero", with a long horizontal flourish extending to the right.

Matthew S. DelNero
Chief
Wireline Competition Bureau